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BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR THEN ENDED DECEMBER 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-27-05

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RICHARD C. URBAN
CERTIFIED PUBLIC ACCOUNTANT

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:
1112 HEATHER DRIVE
OPELOUSAS, LOUISIANA 70570
PHONE (337) 942-2154
FAX (337) 948-3813

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bayou Mallet and Plaquemine Gravity Drainage
District No. Ten of St. Landry Parish
Opelousas, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, management. Our responsibility is to express opinions on these financial statements based on our audit.

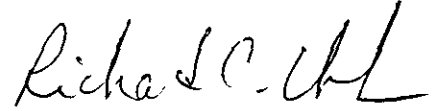
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, as of December 31, 2004, and the respective changes in financial position and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2005, on our consideration of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, basic financial statements. The accompanying financial information listed as required supplementary information in the table of contents is presented for additional analysis and is not a required part of the basic financial statements of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

A handwritten signature in black ink, appearing to read "Richard C. Urban". The signature is fluid and cursive, with the first name "Richard" being the most prominent part.

Richard C. Urban, CPA

Opelousas, Louisiana
June 24, 2005

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash and cash equivalents	\$154,214
Receivables (net of allowances for uncollectibles)	
Property taxes	235,415
State revenue sharing	4,703
Bond issue costs, net	4,282
Capital assets (net of accumulated depreciation)	413,345
Water deposit	275
<u>Total assets</u>	<u>812,234</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	1,497
Interest payable	9,296
Long-term liabilities	
Due within one year	64,000
Due in more than one year	526,000
<u>Total liabilities</u>	<u>600,793</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	210,567
Unrestricted	874
<u>Total net assets</u>	<u>211,441</u>

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2004

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES FEES, FINES, AND CHARGES FOR SERVICES</u>	<u>NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS GOVERNMENTAL ACTIVITIES</u>
<u>Governmental Activities</u>			
Public works	\$212,748		\$(212,748)
Interest and fines on debt	<u>32,510</u>	<u> </u>	<u>(32,510)</u>
<u>Total governmental activities</u>	<u>245,258</u>	<u>-0-</u>	<u>(245,258)</u>
General Revenues			
Taxes			
Property			235,796
Intergovernmental			
State revenue sharing			4,596
Investment earnings			<u>3,209</u>
<u>Total general revenues</u>			<u>243,601</u>
<u>Changes in net assets</u>			<u>(1,657)</u>
Net assets - January 1, 2004			<u>213,098</u>
Net assets - December 31, 2004			<u>211,441</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2004

<u>ASSETS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
Cash in bank	\$14,795	\$139,419	\$154,214
Property taxes receivable, net	182,494	52,921	235,415
State revenue sharing receivable	4,703		4,703
Water deposit	275		275
<u>Total assets</u>	<u>202,267</u>	<u>192,340</u>	<u>394,607</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Payroll taxes withheld	\$1,173		\$1,173
Accrued payroll taxes	324		324
<u>Total liabilities</u>	<u>1,497</u>	<u>-0-</u>	<u>1,497</u>
<u>FUND BALANCES</u>			
Reserved for debt service		\$192,340	192,340
Unreserved and undesignated	200,770		200,770
<u>Total fund balance</u>	<u>200,770</u>	<u>192,340</u>	<u>393,110</u>
<u>Total liabilities and fund balances</u>	<u>202,267</u>	<u>192,340</u>	<u>394,607</u>

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2004

Total fund balances for governmental funds at December 31, 2004		\$393,110
Cost of capital assets at December 31, 2004	\$606,503	
Less: Accumulated depreciation as of December 31, 2004	(193,158)	413,345
Long-term liabilities at December 31, 2004		
Bonds payable		(590,000)
Interest payable on bonds		(9,296)
Bond issue costs, net		<u>4,282</u>
Net assets at December 31, 2004		<u>211,441</u>

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2004

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes			
Property taxes	\$181,926	\$53,870	\$235,796
Intergovernmental revenues			
State revenue sharing	4,596		4,596
Interest Income	2,392	817	3,209
<u>Total revenues</u>	<u>188,914</u>	<u>54,687</u>	<u>243,601</u>
<u>EXPENDITURES</u>			
Current			
General and administrative			
Engineering assistance	600		600
Fuel and oil	16,510		16,510
Insurance	21,313		21,313
Chemical treatment-canals	20,700		20,700
Materials & supplies	1,879		1,879
Miscellaneous expense	186		186
Meeting expense	1,622		1,622
Per diem	6,000		6,000
Professional fees	13,460		13,460
Truck reimbursement	13,576		13,576
Repairs and maintenance	3,295		3,295
Uniforms	328		328
Salaries	42,903		42,903
Health insurance	2,174		2,174
Taxes - payroll	3,741		3,741
Telephone & pager	2,361		2,361
Dozer work	460		460
Beaver control	560		560
Water	306		306
Legal advertising	163		163
Equipment rental	200		200
Capital outlay	156,437		156,437
Debt service			
Principal		65,000	65,000
Interest		33,132	33,132
Fees		225	225
<u>Total expenditures</u>	<u>308,774</u>	<u>98,357</u>	<u>407,131</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	(119,860)	(43,670)	(163,530)
<u>FUND BALANCES</u> , beginning of year	<u>320,630</u>	<u>236,010</u>	<u>556,640</u>
<u>FUND BALANCES</u> , end of year	<u>200,770</u>	<u>192,340</u>	<u>393,110</u>

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Total net change in fund balances for the year ended December 31, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (163,530)
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$156,437	
Depreciation expense for year ended December 31, 2004	<u>(59,609)</u>	96,828
Bond principal retirement considered an expenditure on Statement of Revenues, Expenditures, and Changes in Fund Balances		65,000
Amortization on bond issue costs		(802)
Increase in interest payable at year-end		<u>847</u>
<u>Total change in net assets for the year</u> <u>ended December 31, 2004 per Statement</u> <u>of Activities</u>		<u>(1,657)</u>

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. For the fiscal year ended December 31, 2004, Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

The following is a summary of certain significant accounting policies and practices of the District.

A. FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the District to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.
2. Organizations for which the District does not appoint a voting majority but are fiscally dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. FINANCIAL REPORTING ENTITY - CONTINUED

The entity being reported on is the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, which is a component unit of the St. Landry Parish Government. The financial report includes all funds over which the District exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District was created by the St. Landry Parish Government as authorized by Louisiana Revised Statute 38:1751. The District is governed by a Board of Commissioners, which consists of five commissioners, appointed by the St. Landry Parish Government.

The District was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

B. BASIC OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Assets and the Statement of Activities display information on all of the nonfiduciary activities of Bayou Mallet and Plaquemine Gravity Drainage District No. Ten, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION - CONTINUED

Fund Financial Statements. The accounts of the District are organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The funds of the District are classified into one category - governmental. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The District reports the following major governmental funds:

Governmental Funds

General Fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service. The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. The Debt Service Fund is established to meet requirements of bond ordinances.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statements of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. CASH AND INVESTMENTS

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

At year-end, the carrying amount of the District's deposits was \$154,214. The bank balance of cash was \$157,562. Of the bank balance, approximately \$18,143 is covered by federal depository insurance. The balance of \$139,419 is in a money market account at Edward D. Jones and is invested in government backed securities.

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

F. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

G. BUDGETS AND BUDGETARY ACCOUNTING

The District adopts an annual budget for the general and debt service funds. The annual budget for each fund is prepared on the modified accrual basis of accounting. The Board adopts its budget prior to the beginning of the fiscal year. Any revisions that alter total revenues or expenditures must be approved by the Board. Subsequent to year-end, the Board adopts an amended budget approving such additional revenues or expenditures. Any budgetary appropriations lapse at the end of each fiscal year.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-20 years
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The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest costs incurred on fixed assets, if any, are not capitalized.

I. COMPENSATED ABSENCES/PENSION PLAN

The District does not have a pension plan or a vacation and sick leave policy. The board members and employees participate in the Social Security Retirement System.

J. BAD DEBTS

Uncollectible amounts due for property tax receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

K. RESTRICTED ASSETS

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the utility meter deposits and remaining cash on the LCDBG program.

L. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. REVENUES, EXPENDITURES, AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
 Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

N. INTERFUND TRANSFERS

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

O. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net assets and displayed in three components:

Investment in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets - Consists of net assets with constraints placed the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

P. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE (2) - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2004, the District has implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The District also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At December 31, 2004, there was no effect on fund balance as a result of implementation of GASB Statements No. 33, 37, 38 or Interpretation 6.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2003 to be restated in terms of "net assets" as follows:

Total fund balances - Governmental Funds -		
at December 31, 2003		\$556,640
Add: Cost of Capital assets at		
December 31, 2003	\$578,027	
Less: Accumulated depreciation at		
December 31, 2003	(261,510)	316,517
Add: Bond Issue Costs - at		
December 31, 2003		5,085
Less: Interest Payable - at		
December 31, 2003		(10,144)
Less: Bonds Payable - at		
December 31, 2003		(655,000)
Net assets at December 31, 2003		<u>213,098</u>

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (3) - AD VALOREM TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The millage assessed by the District in 2004 was 24.81 mills.

The District was required to remit 3.2265 in 2004 of the total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of pension fund distributions. A breakdown of tax receivable, prior to any year-end receipts, per the tax roll is as follows:

Total per tax roll	\$257,744
Pension fund requirements	(8,316)
Allowance for uncollectible tax	<u>(14,013)</u>
Tax receivable	<u>235,415</u>

An estimated allowance for uncollectible property tax has been set up based on prior year experience.

NOTE (4) - DEFICITS IN INDIVIDUAL FUNDS

There were no deficits in any funds at December 31, 2004.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (5) - GENERAL OBLIGATION BONDS

On January 17, 2001, the District received \$327,000 in general obligation refunding bonds issued to refinance the District's asset acquisitions and costs of operations. These bonds are payable over an eight year period with the first payment of principal and interest, currently at 5.51%, due on April 1, 2001, and the final payment due on April 1, 2009.

The District also has general obligation bonds dated March 1, 1994. These bonds are payable over a twenty (20) year period with the final payment due on March 1, 2014. These bonds carry a variable rate of interest, currently at 4.65%. Annual Debt service requirements to maturity for these bonds, including interest of \$141,073, are as follows:

Fiscal Year Ending December 31	Debt Service Fund
2005	\$93,746
2006	94,247
2007	96,811
2008	94,279
2009 and thereafter	<u>351,990</u>
	731,073
Less: interest	<u>(141,073)</u>
	<u>590,000</u>

NOTE (6) - CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2004, for Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish are as follows:

	Balance January 1, 2004	Additions			Balance December 31, 2004
		Purchases	Donations	Deletions	
Governmental Activities					
Equipment	\$578,027	\$280,030		\$251,554	\$606,503
Total at historical cost	578,027	280,030	-0-	251,554	606,503
Less accumulated depreciation					
Equipment	261,510	59,609		127,961	193,158
Total accumulated depreciation	261,510	59,609		127,961	193,158
Governmental Activities					
Capital assets, net	316,517	220,421	-0-	123,593	413,345

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (7) - COMPENSATION PAID TO BOARD MEMBERS

Compensation paid to board members for the year ended December 31, 2004, is as follows:

Wayne Reiners	\$800
Floyd Dupre	1,300
Joseph H. Lastrapes	1,300
Herbert Amy, Jr.	1,300
James H. Lafleur	1,300
	<u>6,000</u>

The following board members were reimbursed for the business use of their personal vehicles for the year ended December 31, 2004, as follows:

James H. Lafleur	\$5,590
Floyd Dupre	7,986

NOTE (8) - SUBSEQUENT EVENTS

On April 27, 2005, the Louisiana Board of Ethics began an investigation into the District's travel reimbursement policy for the year ended December 31, 2003. The District has provided all necessary documents to the Board of Ethics. As of the date of this report, the outcome of that investigation remains unknown. The effect of any adverse findings should be immaterial to both the 2003 and 2004 audits. However, any findings by the Louisiana Board of Ethics could result in the need to reissue the 2003 or 2004 audit reports.

RICHARD C. URBAN
CERTIFIED PUBLIC ACCOUNTANT

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:
1112 HEATHER DRIVE
OPELOUSAS, LOUISIANA 70570
PHONE (337) 942-2154
FAX (337) 948-3813

To the Bayou Mallet and Plaquemine Gravity Drainage
District No. Ten of St. Landry Parish
Opelousas, Louisiana

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government auditing Standards, issued by the Comptroller General of the United States.

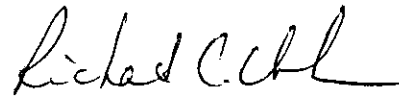
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners of the Bayou Mallet and Plaquemine Gravity Drainage District No. Ten of St. Landry Parish, and the legislative auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Richard C. Urban". The signature is fluid and cursive, with the first name "Richard" being more prominent than the last name "Urban".

Richard C. Urban, CPA

Opelousas, Louisiana
June 24, 2005

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$180,000	\$172,000	\$181,926	\$9,926
Intergovernmental	7,700	7,700	4,596	(3,104)
Interest income	9,300	2,450	2,392	(58)
Miscellaneous	100	100		(100)
<u>Total revenues</u>	<u>197,100</u>	<u>182,250</u>	<u>188,914</u>	<u>6,664</u>
<u>EXPENDITURES</u>				
Current operating	200,750	172,950	152,337	20,613
Capital outlay	10,000	160,000	156,437	3,563
<u>Total expenditures</u>	<u>210,750</u>	<u>332,950</u>	<u>308,774</u>	<u>24,176</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>(13,650)</u>	<u>(150,700)</u>	<u>(119,860)</u>	<u>(17,512)</u>
<u>FUND BALANCE, beginning of year</u>			<u>320,630</u>	
<u>FUND BALANCE, end of year</u>			<u>200,770</u>	

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$96,000	\$80,000	\$53,870	\$ (26,130)
Interest income	<u>1,200</u>	<u>1,100</u>	<u>817</u>	<u>(283)</u>
<u>Total revenues</u>	<u>97,200</u>	<u>81,100</u>	<u>54,687</u>	<u>(26,413)</u>
<u>EXPENDITURES</u>				
Principal	60,000	76,000	65,000	11,000
Interest	36,000	23,000	33,132	(10,132)
Maintenance fees	<u>800</u>	<u>500</u>	<u>225</u>	<u>275</u>
<u>Total expenditures</u>	<u>96,800</u>	<u>99,500</u>	<u>98,357</u>	<u>1,143</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>400</u>	<u>(18,400)</u>	<u>(43,670)</u>	<u>(27,556)</u>
<u>FUND BALANCE</u> , beginning of year			<u>236,010</u>	
<u>FUND BALANCE</u> , end of year			<u>192,340</u>	

See accompanying notes to financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. TEN OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR AND CURRENT FINDINGS

No findings were noted with the previous audit.

No findings or questioned costs were noted with the current audit.

No separate management letter has been issued.